

Message Text

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TAGS: AORG, UNDP, EAID

SUBJECT: UNDP - 17TH GOVERNING COUNCIL, ITEM 4(C)(I)

CRITERIA FOR INDICATIVE PLANNING FIGURES

FOLLOWING STATEMENT WAS DELIVERED BY AMBASSADOR FERGUSON
JANUARY 17 DURING GOVERNING COUNCIL CONSIDERATION OF ITEM
4(C)(I), CRITERIA TO BE FOLLOWED IN CALCULATING COUNTRY
INDICATIVE PLANNING FIGURES FOR THE 1977-81 PERIOD.

QUOTE MY DELEGATION HAS EXAMINED THE DOCUMENT BEFORE US,
DP/26 WITH A GREAT DEAL OF ATTENTION AND THOROUGHNESS.
AS A RESULT OF OUR EXAMINATION, WE BELIEVE THAT IT IS
RESPONSIVE TO THE MAJOR ISSUES RAISED DURING THE COURSE
OF EXTENSIVE COUNCIL NEGOTIATIONS IN 1972 AND 73.
MOREOVER, IN OUR OPINION, IT REPRESENTS A FAIR AND BALANCED
TREATMENT OF THESE ISSUES.

MY DELEGATION IS PARTICULARLY PLEASED THAT THE MODEL DES-
CRIBES AND MAKES PROVISION FOR A MUCH LARGER FLOW OF TECH-
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NICAL ASSISTANCE RESOURCES TO THE POORER COUNTRIES THAN
WAS THE CASE IN THE FIRST CYCLE. WE NOTE WITH PLEASURE,

FOR EXAMPLE, THE UTILIZATION OF THE BASIC CRITERIA OF POPULATION AND PER CAPITA GNP. IN OUR OPINION THIS UTILIZATION INSURES THAT THE MODEL HAS THE FELICITOUS ATTRIBUTES FIRST OF BEING SIMPLE TO APPLY; SECONDLY, OF BEING EQUITABLE IN ITS ALLOCATIONS; AND, THIRDLY, OF TENDING TO FORCE THE CONCENTRATION OF SIGNIFICANT RESOURCES IN THE POOREST COUNTRIES. IN THIS REGARD IT IS OUR UNDERSTANDING, BASED ON DISCUSSION AT THE SIXTEENTH SESSION, THAT THE ADMINISTRATOR WILL USE THE 1974 DATA OF THE WORLD BANK ATLAS IN COMPUTING THE FINAL IPKS FOR THE 1977-81 PERIOD. CONSEQUENTLY, OUR PRESENT DISCUSSIONS ARE CONCERNED WITH THE ISSUE OF AGREEMENT ON THE CRITERIA TO BE APPLIED IN THE FUTURE AND NOT ON THE ACTUAL IPFS WHICH OF NECESSITY MUST REMAIN ILLUSTRATIVE UNTIL LATE 1975. THE CURRENT FLUIDITY AND LEVELS OF NATIONAL INCOMES IMPELS THE USE OF THE LATEST AVAILABLE DATA. ALL OF US MUST BE ASSURED THAT THE ALLOCATIONS REFLECT THE RANKING OF RECIPIENT COUNTRIES AS THEY ARE MOST LIKELY TO RANK AT THE COMMENCEMENT OF THE SECOND CYCLE.

THE UNITED STATES DELEGATION BELIEVES THAT THE ADMINISTRATOR HAS CONSCIENTIOUSLY AND INDEED CORRECTLY ALLOCATED THE 7.5 PERCENT (\$130 MILLION) EARMARKED PURSUANT TO THE COUNCIL'S SUPPLEMENTARY CRITERIA. WE ARE PARTICULARLY PLEASED THAT SPECIAL ATTENTION HAS BEEN GIVEN TO THOSE RECIPIENT COUNTRIES WHOSE CURRENT ECONOMIC AND SOCIAL DEVELOPMENT EFFORT HAS BEEN ADJUDGED BOTH DYNAMIC AND OF CONSEQUENTIAL MAGNITUDE.

MR. PRESIDENT, WE TURN NOW TO ANOTHER ASPECT OF THIS ITEM. IT IS NOT THE DESIRE OF MY GOVERNMENT TO SEE ANY COUNTRY FORCED TO FOREGO THE BENEFITS OF TECHNICAL ASSISTANCE FROM THE UNDP. NONETHELESS, WE ARE PLEASED TO NOTE THAT ONE COUNTRY, A RECIPIENT DURING THE FIRST CYCLE, HAS DECLARED IT WILL NOT REQUEST AN IPF FOR THE SECOND CYCLE AND WE HOPE OTHERS MAY FOLLOW SUIT. WHILE THE GRADUATION FROM RECIPIENT TO PURE DONOR STATUS SHOULD BE VOLUNTARY WHEN AND AS A COUNTRY FEELS IT IS ABLE TO DO SO, WE WOULD STILL HOPE THAT THE MORE PROSPEROUS OF THE DEVELOPING COUNTRIES WOULD FEEL THAT IT IS

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IN THE INTEREST OF THE DEVELOPING WORLD IN GENERAL THAT THEY ALLOW THE POORER COUNTRIES TO HAVE THE FIRST CLAIM AND TO HAVE THE FIRST PRIORITY ON THE USE OF UNDP RESOURCES.

IN THIS CONNECTION WE BELIEVE THAT THERE ARE A NUMBER OF RECIPIENTS WHO ARE IN A POSITION QUICKLY TO BECOME MUCH MORE SUBSTANTIAL CONTRIBUTORS TO UNDP THAN HAS BEEN THE CASE IN THE PAST. IN PARTICULAR, THERE ARE RECIPIENT COUNTRIES WITH ABUNDANT MINERAL RESOURCES WHICH ENJOY LARGE EXPORT EARNINGS AND AS A RESULT HAVE ACHIEVED HIGH PER CAPITA

GNP. COUNTRIES IN THESE CIRCUMSTANCES CAN INCREASE THEIR CONTRIBUTIONS MANY TIMES OVER. THE OIL PRODUCING COUNTRIES ARE THE MOST OBVIOUS EXAMPLE. WITH FEW EXCEPTIONS, THEY ENJOY VERY SUBSTANTIAL EARNINGS FROM OIL EXPORT. MOREOVER, SEVERAL OF THESE COUNTRIES HAVE ACHIEVED A VERY HIGH PER CAPITA GNP. AND, AT THIS MOMENT, INDICATIONS ARE THAT THEIR GNPS PER CAPITA WILL RISE EVEN HIGHER IN THE VERY NEAR FUTURE.

KUWAIT, LIBYA, QATAR AND VENEZUELA, EVEN IN 1971, HAD GNP PER CAPITA LEVELS OF OVER \$1,000. GABON, IRAN AND SAUDI ARABIA SIMILARLY ENJOY BOTH LARGE EXPORT EARNINGS AND RAPIDLY RISING PER CAPITA GNP. I MENTION THESE COUNTRIES ONLY AS THE MORE OBVIOUS EXAMPLES OF SOME OF THOSE WHICH HAVE THE ABILITY TO MAKE LARGE QUANTUM INCREASES IN THEIR CONTRIBUTIONS.

CANDOR COMPELS ME TO CALL TO YOUR ATTENTION THE FACT THAT ANNUALLY WE IN OUR GOVERNMENT HAVE AN EXCEEDINGLY DIFFICULT TIME IN JUSTIFYING OUR REQUEST FOR APPROPRIATIONS FOR UNDP. CONGRESS HAS SPECIFICALLY CALLED THIS VERY MATTER TO OUR ATTENTION IN HEARINGS CONDUCTED DURING THE PAST YEAR.

IN OUR ANNUAL PILGRIMAGE TO OUR CAPITOL HILL, IT IS POSSIBLE TO JUSTIFY THE NEEDS OF KUWAIT OR SAUDI ARABIA FOR TECHNICAL ASSISTANCE. ON THE OTHER HAND IT IS INCREASINGLY DIFFICULT, INDEED ALMOST IMPOSSIBLE, FOR US TO FASHION EXPLANATIONS FOR CONGRESS AS TO WHY, WITH THE MAGNITUDE OF FINANCIAL RESOURCES AT THEIR COMMAND, NO MEMBER OF OPEC CONTRIBUTES MORE THEN ONE MILLION DOLLARS TO UNDP. NOW THAT THE SUDDEN EXPLOSION IN OIL REVENUE HAS VASTLY INCREASED THE INCOMES OF MANY
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OIL PRODUCING STATES, -- NOW THAT OUR PROJECTIONS INDICATE PER CAPITA GNP IN CERTAIN STATES EXCEEDS \$10,000 PER YEAR, -- THERE IS A LEGITIMATE QUESTION TO BE ASKED. IS IT RIGHT, IS IT JUST FOR SUCH COUNTRIES TO CLING TO THEIR PREVIOUS STATUS AS FINANCIALLY UNABLE TO BE ANYTHING MORE THAN MEAGER CONTRIBUTORS? AS A MATTER OF FACT THE COMBINED CONTRIBUTIONS OF THESE OPEC COUNTRIES REPRESENTS ONLY ABOUT 1.3 PERCENT OF THE TOTAL ESTIMATED 1974 CONTRIBUTIONS.

MR. PRESIDENT, MY DELEGATION BELIEVES THAT THERE IS NO MORE IMPORTANT ISSUE BEFORE THIS COUNCIL THAN THAT TO WHICH I HAVE JUST CALLED TO YOUR ATTENTION.

FINALLY, MR. PRESIDENT, THE U.S. DELEGATION BELIEVES THAT THE MODEL PROPOSED FOR THE 1977-81 CYCLE REPRESENTS A SIGNIFICANT IMPROVEMENT IN THE ALLOCATION OF UNDP RESOURCES AND WE JOIN OTHER DELEGATIONS IN COMMENDING THE ADMINISTRATOR FOR HIS RESPONSIVENESS IN DEVELOPING THIS COMPREHENSIVE

ALLOCATION MODEL OVER THE PAST TWO YEARS. UNQUOTE
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